

TESTIMONY OF KEVIN BRUBAKER

HIGH-SPEED RAIL PROJECT MANAGER ENVIRONMENTAL LAW AND POLICY CENTER

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON RAILROADS

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Madam Chairman and Committee Members, thank you for allowing me this opportunity to testify on the importance of intercity passenger rail. My name is Kevin Brubaker, and I'm the high-speed rail project manager for the Environmental Law & Policy Center.

The Environmental Law & Policy Center (ELPC) works throughout the Midwest under the belief that environmental protection and economic development can be achieved together. Nothing better exemplifies this belief than the potential for passenger rail to provide benefits to passengers, to communities, and to the environment.

I want to share with you today how Illinois is leading the nation in a Rail Renaissance, and what the implications of that renaissance are for federal policy.

Illinois is at the center of Amtrak's national network. It is served by 58 trains each day, including nine long-distance trains and corridor service on four routes for which the state purchases service from Amtrak.

Last year, ELPC worked with a broad coalition that included organized labor, 12 university presidents, 30 chambers of commerce, and 300 local elected officials. Together, we called for more frequent rail service in Illinois.

University presidents told state legislators that passenger trains allow their students to leave their cars at home, thereby reducing the tragic risks of teenage driving, and provide faculty and administrators convenient access to Chicago. Telling potential faculty that the cultural attractions of Chicago are a mere train ride away from the state's rural campuses has become an important recruitment tool. (This should have national implications, since preliminary analysis had identified almost a thousand accredited colleges and universities nationwide that are located within 25 miles of an existing Amtrak station.)

The Macomb Chamber of Commerce testified that Pella Windows would be creating 500 new jobs in their community, and that this decision had a great deal to do with the fact that the city has Amtrak service.

The Mayor of Springfield told legislators that the success of the newly opened Abraham Lincoln Museum and Library depended upon getting people quickly, conveniently, and affordably to the state's capital.

The Illinois General Assembly responded favorably to this groundswell of support, and provided funding to double the state's passenger rail service, beginning last October.

The result has been a ridership explosion. In only seven months, we've seen a 76% growth in Amtrak ridership compared to the same period a year earlier. Most recently, comparing May 2007 to May 2006 ridership:

Chicago-St. Louis: up 133%Chicago- Carbondale: up 81%Chicago-Quincy: up 53%

Even without expansion, the Chicago-Milwaukee corridor has been growing steadily, with a 48% ridership increase over the last five years. Wisconsin is now budgeting for an additional car on the Chicago-Milwaukee corridor in order to keep up with this growing demand. Trains on all these corridors are frequently sold out, so we have no idea how many additional passengers were turned away.

The lesson is clear: if you build it, they will come.

This is only the beginning. In response to this dramatic ridership growth, communities without rail service are clamoring for it.

- At Illinois' request, Amtrak has just completed a feasibility study for new train service to Rockford, with an extension to Dubuque, Iowa. Iowa officials are now contemplating extending that service on to Waterloo.
- Also at Illinois' request, Amtrak has launched studies of new service to Peoria and to the Quad Cities. The State of Iowa is expected to formally request that the Quad Cities study be extended across the Mississippi River to include the potential for new Amtrak service to Iowa City and Des Moines.
- Wisconsin is studying how to solve capacity constraints in order to increase frequency on the Chicago-Milwaukee corridor. Wisconsin has also completed the environmental analysis (and received a Finding of No Significant Impact) for new service between Madison and Milwaukee.

In the broader region, nine state Departments of Transportation have been working cooperatively on the Midwest Regional Rail Initiative. Their plan calls for upgrading 3,000 miles of track radiating out from Chicago to every major metropolitan area in the Midwest. The network would serve 80% of the region's 65 million residents with increased train frequencies, modern equipment, and speeds up to 110 mph.

Ohio is leading a multi-state rail planning effort to develop passenger rail service that would connect Midwest service with Northeast service. The proposal is for 860 miles of track along

two corridors: one connecting Detroit with Toledo, Cleveland, and Pittsburgh; and a second corridor from Cincinnati through Columbus and Cleveland and on to Buffalo.

The potential benefits of the proposed new services are dramatic. Economic analysis of the Midwest Regional Rail Initiative estimates that this network will yield \$23.1 billion in benefits to users and communities over the 40 year life of the project. For every dollar invested, \$1.80 in benefits is projected¹. Similar analysis of the Ohio proposal yields benefits of \$9 billion with a similar benefit-cost ratio².

These benefits translate directly into jobs and economic development in communities surrounding passenger rail stations. The projected benefits of the Midwest Regional Rail Initiative include: \$1 billion in additional household income; \$4.9 billion in new joint development potential; and 57,000 new jobs. Similarly, the Ohio Hub Plan is predicted to create almost 17,000 new jobs; raise the region's income by over \$1 billion, and generate more than \$3 billion in new development activities near stations.

From our perspective, the environmental benefits are particularly important. Global warming is the most pressing, serious environmental challenge this world faces. Addressing it requires us to rethink all our spending priorities, and there is no better place to begin than passenger rail.

Oak Ridge National Laboratories has reported that cars and airplanes consume 27% and 20% more fuel per passenger mile respectively than trains³. While these figures speak to current energy consumption nationwide, they dramatically understate passenger rail's potential for saving energy. Where opportunities to expand rail are the greatest, so are the potential energy savings.

The approved environmental impact statement for 110 mph passenger rail service between Chicago and St. Louis, for example, concluded that passenger trains were 3 times as fuel-efficient as cars and 6 times as efficient as planes on a per-passenger-mile basis. The environmental assessment for Madison-Milwaukee rail service had similar conclusions. Moreover, rail works in concert with other efficient modes of travel; I don't know anyone who walks to the airport.

Rail is a global warming solution that improves transportation choices, creates jobs, and strengthens communities.

Recommended Actions

First, we need a healthy, continued Amtrak. The service expansion in Illinois that I described above probably would have happened sooner had it not been for the concern that Amtrak might not be around for the long run. Illinois legislators did not want to appropriate funds for a partnership with a potentially bankrupt railroad.

¹ Midwest Regional Rail Initiative Project Notebook – Chapter 11.

² http://www.dot.state.oh.us/ohiorail/Ohio%20Hub/OHIO_Economic%20Analysis05.23.07_FINALDRAFT.pdf

³ Transportation Energy Data Book, Edition 26 at http://cta.ornl.gov/data/Index.shtml.

Amtrak is a remarkably good investment of public dollars for public benefit when measured by farebox recovery, the transit industry's standard performance metric. Farebox recovery measures what portion of the total cost is borne by the customer. If it costs \$2 million to provide the train service, for example, and you can sell \$1 million in tickets for it, you have a farebox recovery of 50%. Since farebox recovery measures the value of a service to the customer, it "automatically" incorporates all other performance measures, including on-time performance, frequency, and reliability. Excessive train delays, for example, will lead to less tickets being purchased and thus lower farebox recovery.

The national average farebox recovery for transit systems is $32\%^4$. The Chicago Transit Authority has a farebox recovery rate of 42%. Rural bus systems typically have farebox recovery ratios of 15-30% ⁵. Amtrak's farebox recovery ratio is about 55% - better than almost every transit system in the United States.

Second, we need more trains. As the Illinois example illustrates, running more trains can result in dramatic ridership increases. By increasing train frequency, travel choices will increase exponentially. Take a Chicago-Quincy trip, for example. With one train each direction, only one trip is possible. With two trains each way, though, there are now four possible trip time combinations, making it far more likely that the train can meet your schedule. Running more trains will allow Amtrak to dramatically reduce its operating costs and increase its farebox recovery. Why? Because huge portions of Amtrak's budget are largely fixed; if Amtrak ran twice as many trains, it wouldn't need to hire a second CEO; it wouldn't need a second on-line reservations system; and it wouldn't need to maintain twice as many stations.

But here's the rub: Amtrak is out of train equipment. The Illinois service expansion I've described has literally used up Amtrak's current rolling stock capacity. There isn't any more equipment available to increase service.

Federal assistance is necessary to provide either Amtrak or states – or both – with funds to purchase new equipment. This is one item that cannot simply be left to the states. Intercity passenger trains that meet American safety standards cannot simply be purchased "off the shelf," but need to be designed and built from scratch. Without the economies of scale of a national equipment purchase, new trains are simply not available at a reasonable price to individual states.

Third, states need a federal partner in their efforts to expand and improve passenger rail. As I have described, there is huge interest throughout the Midwest in expanding and improving passenger rail service. While ridership is exploding in Illinois, train delays have become excessive. On-time performance statewide averages between 50%-60%, almost entirely because the rail infrastructure's capacity is filled to capacity with both freight and passenger trains.

States have demonstrated their willingness to invest in passenger rail. Wisconsin is building or rebuilding three passenger rail stations and has purchased track between Milwaukee and Madison. Illinois has invested close to \$80 million in track, signal, grade crossing, and other

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⁴ http://www.apta.com/research/stats/factbook/documents/2006factbook.pdf, page 39.

⁵ All figures calculated from http://www.ntdprogram.gov/ntdprogram/data.htm, 2004 data, table 2. Note that the Chicago Transit Authority uses a different methodology to meet state mandated operating ratios.

improvements. Michigan has been an active partner with Amtrak in developing high-speed service along the Chicago-Detroit corridor.

But states cannot do it alone. Under our current system, the federal government pays 80% of the cost of highways, bridges, and even bicycle paths, but pays nothing toward state investments in passenger rail. This means that a passenger rail investment needs to be <u>five times</u> as good as a highway investment in order to justify state funding.

In an era of \$3/gallon gasoline, expressway and airport congestion in urban areas, and a shrinking pool of transportation choices in rural regions, improved passenger train service should be a priority of the federal government as well. Thank you for this opportunity to testify.